GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2062
ANSWERED ON:04.08.2000
INVOLVEMENT OF MULTINATIONAL BANKS IN FAKE CURRENCY
M.V.V.S MURTHI;SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-items captioned `Calcutta flooded with fake currency` appearing in `The Indian Express`, dated February 5, 2000;

(b) if so, the reaction of the Government thereto;

(c) whether RBI officials in Calcutta suspect that some multinational banksmight have been used as a route to pump forged currency into the market;

(d) if so, whether any inquiry has been ordered against the role of multinational banks in the matter;

(e) whether many trading giants in Calcutta have started refusing Rs.500/- notes outright; and

(f) if so, the action proposed by the Government in the matter?

Answer

Minister of State in the Ministry of Finance (Shri Balasaaheb Vikhe Patil)

(a): Yes, Sir.

(b): The reporting in the news item is not factual.

(c): No, Sir.

(d): Does not arise.

(e)&(f): Due to distorted reports appearing in some sections of the Press at Calcuttaabout circulation of fake notes, and/or on withdrawal of Rs.500 notes, some instances of non-acceptance of Rs.500 notes have been reported. The correct position was, however, immediately clarified by the RBI`s Calcutta Office.